

HERSETH SANDLIN, USDA UNDERSECRETARY FOR RURAL DEVELOPMENT TONSAGER PROMOTE COMMUNITY WIND DEVELOPMENT

Brookings, SD-Today, Rep. Herseth Sandlin hosted United States Department of Agriculture (USDA) Undersecretary for Rural Development and South Dakota native Dallas Tonsager, along with South Dakota Rural Development officials, for a meeting with Harvest Wind, a multi-generational community-based wind energy development company in South Dakota. The group discussed the key role that 2008 Farm Bill programs and Recovery Act tax credits and grants can play in assisting a locally owned and based company in developing community-owned, renewable energy in South Dakota. In addition, Rep. Herseth Sandlin, Undersecretary Tonsager and officials from Harvest Wind discussed future opportunities for cooperation between the Congress, USDA Rural Development and Harvest Wind to further promote community wind development.

"As our state's agricultural economy continues to grow, community wind development represents a tremendous opportunity for innovative and community-oriented South Dakotans to participate in and benefit from a new energy economy," Rep. Herseth Sandlin said. "Harvest Wind is leading the way in South Dakota, demonstrating how federal incentives like REAP grants can be harnessed by entrepreneurs in getting wind energy projects like Harvest Wind off the ground and creating another revenue source for producers. The initiative of companies like Harvest Wind and its ability to access these federal incentives will help create jobs and spur economic development in rural communities across South Dakota, as well as diversify our domestic sources of electricity."

"Renewable energy is a powerful job creation tool that brings economic development and business opportunities to rural communities," Tonsager said. "It creates design and construction jobs – as well as other jobs – and helps us move toward our goal of replacing fossil fuels with renewable energy."

Originally formed in October of 2008, Harvest Wind is a wind energy development company founded by South Dakota land owners with the intent of developing competitively priced renewable electricity to meet our nation's demand for clean energy. The wind farm is set to be located on the Northeastern side of the state, along the Coteau Hills. Harvest Wind's mission is to "draw a community together and walk along side them, enabling and equipping them to develop community owned wind farms; a wind farm owned by its residents, farmers, children, leaders and friends. The result, the community owns this commodity together, sells it together, and benefits together. It is on their land, in their community, and near their towns." Stakeholders in Harvest Wind include three generations of South Dakotans farming and living in the Stockholm area.

Ken Peterson, Founder and CEO of Harvest Wind said, "The Harvest Wind community based wind development company was formed believing that farmers, their communities, and those who own the land from which the wind is being harvested can have direct ownership in that wind farm. This ownership results in the greatest possible positive economic benefit to the landowners and their community, the community from which the commodity is being harvested and sold. The positive economic impact to the state and the resulting community revitalization

associated with community owned wind farms is significantly greater than that resulting from the economic benefits offered through the simple lease payments offered to landowners by traditional wind development companies.”

In September 2009, Harvest Wind was awarded a \$50,000 Rural Energy for America Program (REAP) Feasibility Study Grant administered by USDA Rural Development. Harvest Wind is currently in the final stages of its feasibility study, and based on preliminary findings, anticipates applying for additional REAP grants and loan guarantees to fund construction of the wind turbines. Funding awarded through REAP enables small wind developers the chance to deliver power at competitive pricing with the larger energy corporations – a key necessity for community wind projects like Harvest Wind to take off. After finalizing funding, Harvest Wind will start development of eight to thirteen utility scale wind turbines to be placed between the towns of Stockholm and Strandburg.

Rep. Herseth Sandlin added, "As a member of the Agriculture Committee fully involved in the drafting of the Farm Bill and a strong supporter of REAP in the Energy Title, I'm pleased to see South Dakota wind energy entrepreneurs like Harvest Wind taking advantage of incentives provided in the legislation to develop community wind. Going forward I anticipate working alongside Undersecretary Tonsager and South Dakota Rural Development with companies like Harvest Wind to identify future opportunities to support community wind in our state."

In addition to USDA Rural Development funding, community-based wind development projects in South Dakota, including Harvest Wind, stand to benefit from provisions included in the Recovery Act. Specifically, the Production Tax Credit (PTC) for wind received a long-term extension through 2012 in the Recovery Act, which is an important change from year-by-year extensions provided in the past and a huge boon to the wind industry in South Dakota. Alternatively, in direct response to the drying up of the credit markets and economic downturn, the Recovery Act created a program under which eligible wind energy producers can elect to receive a grant in lieu of a tax credit, which could be worth up to 30% of the project cost. Herseth Sandlin added, "It's critical that we provide our wind energy entrepreneurs the certainty they need to invest in this promising industry. The incentives provided through the Recovery Act for wind energy development enhances the ability of rural America to play a central role in the new energy economy. I'm pleased to see these tax credit provisions having a direct effect in South Dakota."

To improve REAP when it is combined with the PTC for wind, Rep. Herseth Sandlin has introduced bipartisan legislation with Representative Jeff Fortenberry of Nebraska. This legislation, the Rural Energy Equity Act, would encourage investment in locally-based renewable energy projects by exempting REAP grants from the PTC offset. The offset can reduce the actual value of REAP funding to beneficiaries by as much as 50 percent. For more background on this legislation, see Rep. Herseth Sandlin's press release by [clicking here](#).

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